

## MARKETING ALLIANCE AGREEMENT

August 2 This Marketing Alliance Agreement (the "Agreement") is made as of ~~July~~, 1996 (the "Effective Date"), between Martindale-Hubbell, a division of Reed Elsevier Inc., with offices located at 121 Chanlon Road, New Providence, New Jersey 07974 ("MH"), and Inherent.Com, Inc., an Oregon corporation with offices located at 2110 S.W. Jefferson Street, Portland, Oregon 97201 ("ICI" and collectively with MH, the "Parties").

Whereas, MH, provides, among other products and services, directory and information products and services for lawyers and legal practitioners worldwide through print, CD-ROM and on-line media, and most recently through the Internet; and

Whereas, MH is desirous of providing Internet World Wide Web ("Web") design and development services to the legal industry to complement its existing array of products and services; and

Whereas, ICI is in the business of designing, developing, hosting, and servicing Web facilities for, among other clients, lawyers and law firms; and

Whereas, ICI and MH have decided to form a marketing alliance (the "Alliance") to market and provide Internet Web facilities for lawyers and law firms and are desirous of setting forth in this Agreement the terms and conditions of the Alliance;

Now therefore, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

1. Nature of Marketing Alliance. During the Term (as that term is defined herein), ICI and MH shall work together to market Web custom site design and development services to lawyers and law firms. Each Alliance Web site third party contract (the "Alliance Web Contract") shall be executed jointly by the Parties. The Parties acknowledge and agree that this is not an exclusive arrangement between the Parties. Accordingly, both MH and ICI shall be free to enter into an agreement with a third party for similar services subject to the terms of Section 10 hereof.

1.1 Nature of Web site Design. ICI acknowledges that MH desires that the design of web sites for customers should make use of hypertext links to a customer's listing on the MH Lawyers Locator Web site for all biographical material on the customer's partners in such a way that obviates the need for separate biographical listings within the customer's own web site. ICI therefore agrees that any development of programs or prototype web sites for perspective customers will be in concurrence with the above approach.

EXHIBIT A

## 1.2 Mutual Covenants:

(a) ICI and MH hereby agree to use reasonable efforts to work collaboratively to identify, develop and consummate sales opportunities. The Parties will utilize and implement a marketing plan (the "Alliance Plan") substantially in the form of Exhibit A, attached hereto and incorporated herein by reference. The parties will implement standard Alliance Web contracts ("Alliance Web Contracts") substantially in the form of Exhibit C, attached hereto and incorporated herein by reference. Execution of the Alliance Plan and the Alliance Web Contracts shall not be a condition precedent to the execution of this Agreement. In addition, the Parties will jointly set the prices (the "Prices") which shall be used as the basis for determining the total fees payable (the "Fees") by Alliance Web Contract customers (the "Customers") pursuant to each Alliance Web Contract. The Prices shall not be adjusted more frequently than once every six (6) months and Fees quoted in writing to Customers shall remain in effect for no less than ninety (90) days.

(b) ICI and MH agree to use reasonable efforts to make themselves available to each other at times and places mutually agreeable to carry out their respective obligations under the Agreement.

## 1.3 MH Contributions and Responsibilities. MH will:

(a) Provide its expertise in marketing and selling services to lawyers and law firms.

(b) Present, fund, implement and sustain a sales and marketing campaign in accordance with the Alliance Plan. The campaign will be managed by MH and, for the avoidance of doubt, MH will not reimburse ICI for any expenditures incurred by ICI in connection with ICI's fulfillment of its responsibilities under the Alliance Plan unless such expenditure is exceptional and has been approved in advance, in writing, by MH.

(c) Have primary control over Alliance Plan activities.

(d) Manage the ordinary course operations of the Alliance, including, without limitation, being primarily responsible for invoicing and collecting amounts payable jointly to ICI and MH pursuant to the terms of each Alliance Web Contract, subject to the accuracy and timeliness of the information reported to MH by ICI with respect to the status of each Alliance Web Contract as detailed in Section 1.4(f) below.

## 1.4 ICI Contributions and Responsibilities. ICI will:

(a) Provide its expertise in design, development, hosting and maintenance services for Alliance Web Contracts and fulfill the obligations of all Alliance Web Contracts in accordance with their respective terms.

(b) Expand to, or maintain, at minimum, the following staffing levels, ensuring that such employees/contractors are available to work exclusively on Alliance Web Contracts:

- (i) One (1) Web Architect shall be on ICI's staff for a minimum of two (2) months during the Term;
- (ii) Two (2) additional Web Architects shall be on ICI's staff for a minimum of four (4) months during the Term;
- (iii) One (1) Web Master shall be on ICI's staff for a minimum of six (6) months during the Term;
- (iv) Two (2) digital typographers shall be on ICI's staff for a minimum of six (6) months during the Term;
- (v) One (1) graphic artist shall be on ICI's staff for a minimum of six (6) months during the Term; and
- (vi) Four tenths (.4) full time equivalent software engineer shall be on ICI's staff for a minimum of six (6) months during the Term.

(d) Fund all costs of fulfilling the obligations of all Alliance Web Contracts, including, without limitation, purchasing any tools or equipment or incurring reasonable travel expenses if reasonably required to carry out the terms of such contracts.

(e) Upon reasonable advance notice, provide telephone or in-person assistance to MH staff members in such areas as: responding to requests for information; responding to requests for proposals; bidding; marketing; and technical training and support.

(f) Submit status reports ("Status Reports") to MH at least once each month, by the fifteenth (15) day of each month, with respect to Alliance Web Contracts in progress, in the form of Exhibit B, attached hereto and incorporated herein by reference.

(g) Warrant to Customers that all work undertaken pursuant to any Alliance Web Contract to be free from material defects and to perform in accordance with industry standards for a period of ninety days.

(h) Indemnify MH and its affiliates and their respective officers, directors, employees and agents, from and against all claims resulting from or arising out of the work performed by ICI pursuant to any Alliance Web Contract.

### 3. Accounting.

3.1 Customer Invoicing. MH will invoice Alliance Web Contract customers in accordance with the terms of each respective Alliance Web Contract. Alliance Web Contract customers will be required to remit payment to MH within thirty (30) days of receipt of any MH invoice.

### 3.2 Payments to ICI

(a) Advances. The Parties acknowledge and agree that MH has previously paid to ICI the sum of Sixty-Five Thousand (\$ 65,000) Dollars, as an advance. MH shall pay to ICI an additional advance of Sixty Thousand (\$60,000) Dollars (collectively with the \$65, 000 previously paid, the "Advance"). The Advance will be applied against future earnings pursuant to Section 3.2(b) below until exhausted. If the Advance is not fully earned upon termination of the Agreement, the unearned portion will be repayable by ICI to MH within thirty (30) days of the date of termination. The remaining portion of the Advance shall be payable by MH to ICI as described in paragraphs 3.2(a)(i) and 3.2(a)(ii) below:

- (i) Thirty Thousand (\$30,000) Dollars upon execution of the Fifth Alliance Web Contract; and
- (ii) Thirty Thousand (\$30,000) Dollars upon execution of the Ninth Alliance Web Contract.

#### (b) Payments Due Pursuant to Alliance Web Contracts

(i) Within thirty (30) days of MH's receipt from ICI of a Status Report indicating an amount payable by a Customer, MH shall forward an invoice (the "Invoice") to the Customer indicating the amount payable by the Customer as of the date of the Invoice pursuant to the terms of the applicable Alliance Web Contract and requiring payment to MH by the Customer within thirty (30) days of receipt of the Invoice. MH shall also promptly apply a credit to the account of ICI according to the following formula: 2) 88% of all amounts invoiced net of sales tax to Customers shall be credited to ICI's account upon invoicing with respect to the first twenty (20) Alliance Web Contracts executed; and b) 85% of all amounts net of sales tax invoiced to Customers shall be credited to ICI's account upon invoicing with respect to Alliance Web Contracts executed following the twentieth Alliance Web Contract, all such amounts to be subject to later adjustment for uncollectable Invoices or portions thereof.

(ii) From time to time, but in no event less than once every month, MH shall forward a statement (the "Statement") to ICI, indicating:

(a) the total amount credited to ICI as of the Statement date (the "ICI Credits"); less

(b) the total portion of the Advance paid to ICI as of such date (the "Advance Paid"); and

(c) the balance remaining of the Advance Paid for Invoices to be credited against, or the amount payable to ICI if the Advance Paid has been fully earned as of such date, as applicable.

(iii) If the Statement indicates an amount then payable to ICI (the "Amount Due"), then MH shall enclose the Amount Due to ICI, subject to subsequent adjustment for uncollectable Invoices, with the Statement.

4. **Term.** The term (the "Term") of the Agreement shall be two years from the Effective Date or the date of completion of all work required pursuant to the terms of the first twenty (20) Alliance Web Contracts, whichever is later; provided, however, in no event shall the Term extend beyond five (5) years from the Effective Date. At least ninety (90) days prior to the end of the Term or the scheduled completion date of the twentieth (20th) Alliance Web Contract, as applicable, MH shall notify ICI in writing of its intent with respect to renewal of the Term. Within thirty (30) days of receipt of MH's notification of its intent to renew the Term, ICI shall respond to MH in writing. If both Parties desire to renew the Term, then the Agreement shall automatically be renewed for an additional one (1) year term, commencing upon MH's receipt of ICI's affirmative return notification.

5. **Termination.** Either party may terminate the Agreement at any time, on at least fourteen (14) days' prior written notice to the other by reason of a material breach by the other party of its obligations hereunder; provided, however that if such breach is capable of being cured, the breaching party may cure such breach, to the reasonable satisfaction of the non-breaching party, within such fourteen (14) day period, in which event the Agreement shall no longer be terminable by reason of such breach.

6. **Confidentiality.** The Parties agree not to, directly or indirectly, make use of, or divulge to any person, firm, corporation, entity or business organization, and to use their respective reasonable good faith efforts to prevent the publication or disclosure by parties subject to their respective direction, of any confidential or proprietary information of the other party or its affiliates, whether or not such information is labeled "confidential", including, without limitation, all written reports, analyses, promotional materials, editorial material, business or marketing plans, financial budgets or projections, technical information, trade secrets, flow diagrams, logic charts, methodologies, record layouts, research instructions, customer or circulation lists computer programming code and other information (collectively, the "Information"), which Information has or which may have come to MH's or ICI's knowledge during the Term or any renewal thereof. Notwithstanding the foregoing, the obligations imposed by this Section 6 shall not extend to Information which: (i) is or becomes generally available to the public through no fault of the non-disclosing party or its affiliates, employees, agents or representatives; or (ii) becomes available to the non-disclosing party on a nonconfidential basis from a source, other than the disclosing party or its agents, representatives or employees, which source is not prohibited from disclosing such portions to the non-disclosing party by a contractual, legal or fiduciary obligation to the disclosing party; (iii) was already known to the non-disclosing party at the time of disclosure; or (iv) was independently developed by the non-disclosing party by individuals who had no knowledge of the Information.



7. **Delivery of Materials.** The Parties agree that, at the end of the Term, or any earlier termination according to the provisions hereof, each party will return to the other all documents, papers, materials and other property relating to the other party's affairs which may then be in the possession or under the control of a party.

8. **Intellectual Property.** All right, title and interest in and to the copyrights, trademarks, and tradenames associated with the Martindale-Hubbell® Law Directory (the "MH Intellectual Property") shall remain in MH and neither this Agreement nor any Alliance Web Contract shall grant to ICI or to any third party any right of ownership therein. In addition, ICI shall not publicly refer to the Alliance or to MH or use any of the MH Intellectual Property, either in oral or written form, without the express prior written permission of MH, which permission shall not be unreasonably withheld. All right, title and interest in and to the copyrights, trademarks, and tradenames associated with ICI (the "ICI Intellectual Property") shall remain in ICI and neither this Agreement nor any Alliance Web Contract shall grant to MH or to any third party any right of ownership therein. In addition, MH shall not publicly refer to the Alliance or to ICI or use any of the ICI Intellectual Property, either in oral or written form, without the express prior written permission of ICI, which permission shall not be unreasonably withheld. All written reports, analyses, promotional materials, editorial material, business or marketing plans, financial budgets or projections, technical information, flow diagrams, logic charts, methodologies, record layouts, research instructions, customer or circulation lists which either relate to a specific Alliance Web Contract or which are created primarily in furtherance of the Alliance (collectively, the "Work Product"), to the extent not vested in a Customer pursuant to the terms of any applicable Alliance Web Contract, shall be vested exclusively in MH. ICI will, at MH's request and expense, execute all such documents and take all such other actions as MH may, from time to time, reasonably require to vest and confirm in itself ownership of the Work Product.

9. **Non-Interference.** During the Term and any renewal thereof (the "Restricted Period"), neither party shall: (i) attempt, directly or indirectly, to induce any person, firm, customer, client, corporation or other enterprise, with which that party has other than incidental contact during the Restricted Period, knowingly solicit the employment of any employee of the other party on behalf of any other person, firm, corporation, entity or business organization, or attempt to induce any such person to breach his or her contractual or fiduciary duties to the other party or its affiliates, or otherwise knowingly interfere with the employment relationship between any employee or officer of the other party or its affiliates and the other or its affiliates.

10. **Non-Competition.** ICI agrees that during the Term and any renewal thereof ICI will not, directly or indirectly, on its own behalf or as a consultant, partner, or joint venturer, for or with any corporation, partnership, joint venture, or other entity other than MH or an affiliate or transferee of MH: own, manage, operate or control, or participate in the ownership, management, operation or control of, or act as a partner or trustee of, work for, or provide gratis services to, any business, activity or enterprise which MH determines, in its reasonable discretion, is a competitor of MH's in the field of providing information services for lawyers and legal practitioners, for the purpose of designing, developing, hosting or maintaining Web sites. The parties acknowledge and

agree that for the purpose of this Agreement, but without limiting the generality of the foregoing a) non-profit bar associations shall not be deemed competitors of MH and b) West Publishing and Law Journal Extra shall be deemed competitors of MH.

**11. Dispute Resolution.** Prior to submitting any matter to arbitration pursuant to this Section 11, the Parties shall submit their dispute to the nearest office of the Judicial Arbitration and Mediation Services, Inc. or Endispute Inc. (the "Mediator") for mediation. Such mediation will consist of one or more informal, non-binding conferences between the parties and the Mediator's representative jointly, followed by separate caucuses between each party and the Mediator's representative, in which the Mediator will attempt to guide and persuade the parties to an amicable resolution of the dispute. The Parties are free to agree upon any mutually acceptable representatives of the Mediator from a list of available representatives submitted by the Mediator to mediate their dispute. If the parties are unable to agree the Mediator shall submit to the parties a list of three proposed Mediator's representatives. Each party shall have the right, in its absolute discretion, to strike one proposed Mediator's representative from such list, and the Mediator shall select the Mediator's representative who shall mediate such dispute from the remaining candidate or candidates. The mediation process under this Section 11 shall continue until the relevant dispute is resolved, or until the Mediator declares that an impasse has been reached. If an impasse is declared, either party shall be free to refer such matter to binding arbitration pursuant to this Section 11. The foregoing provisions dealing with mandatory mediation and mandatory negotiation are deemed an agreement to arbitrate for purposes of enforcing compliance with same. If an impasse is declared by the Mediator, such dispute (including, without limitation, any issues as to the arbitrability of such dispute) shall be submitted to binding arbitration administered by the Mediator, by a single arbitrator in the New York/New Jersey vicinity in accordance with the Mediator's rules and procedures for arbitrating employment disputes. Judgment upon the award of such arbitrator may be entered by any court having jurisdiction. Notwithstanding the foregoing, either party, as applicable, shall be free to seek equitable relief in any court having jurisdiction to enjoin a threatened or continuing breach by other party of a party's obligation under Sections 6, 7, 8, 9 or 10 hereof on a temporary or preliminary basis pending a determination of the relevant dispute by the arbitrator provided for above, or on a permanent basis following the determination by such arbitrator that a breach has been committed.

**12. Independent Contractor Status.** The Parties hereto are in all respects independent contractors, and nothing contained herein shall be construed as creating an employment, partnership, joint venture, agency or any other relationship whatsoever, except that of independent contractors, between the Parties. Neither party will have authority to act in the name of, or to incur any obligation binding on, the other party.

**13. Notices.** All notices under this Agreement shall be in writing and shall be effective either: (a) when delivered in person at the address set forth below, or (b) after receipt by the U.S. Mail, postage prepaid, by registered or certified mail, return receipt requested, addressed to the recipient as set forth below, whichever is earlier.

All notices to MH shall be sent to:

Martindale-Hubbell  
121 Chanlon Road  
New Providence, New Jersey 07974  
Attention: A. Gwyn Williams

with a copy to:

Reed Elsevier Inc.  
275 Washington Street  
Newton, Massachusetts 02158  
Attention: Henry Horbaczewski, Esq.

All notices to ICI shall be sent to:

Inherent.Com, Inc.  
2110 S.W. Jefferson Street  
Portland, Oregon 97201  
Attention: Gregory A. Miller

with a copy to:

~~Bullivant~~  
~~Sullivan~~ Houser Bailey et al.  
300 Pioneer Tower  
888 S.W. 5th Avenue  
Portland, OR 97204  
Attention: Robert Moore, Esq.

Such addresses may be changed by notice given in accordance with this Section.

14. **Severability.** If any provision of this Agreement or the application thereof to any person or circumstance is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

15. **Miscellaneous.** This Agreement supersedes any other agreement between the Parties in effect prior to the date hereof insofar as it relates to joint marketing of Web site design and development to lawyers and law firms. This Agreement may not be changed nor may any provision hereof be waived except by an instrument in writing duly signed by both parties. This Agreement shall be interpreted, governed and controlled by the internal laws of the State of New Jersey, without reference to principles of conflict of laws. This Agreement shall inure to the benefit of and be binding upon the Parties, their respective successors and assigns. Neither party shall assign its rights or



interests in and under this Agreement in whole or in part, by operation of law or otherwise, except as expressly herein provided. The provisions of Sections 6, 7 and 8 shall survive the termination of the Agreement.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

MARTINDALE-HUBBELL

By: A. Gwyn Williams  
Name: A. Gwyn Williams  
Title: Executive Vice President

INHERENT.COM, INC.

By: Gregory Miller  
Name: GREGORY MILLER  
Title: CEO  
Fed Tax ID: 931203535

**Exhibit A**  
**ALLIANCE WEB MARKETING PLAN**

**MH Responsibilities**

1. MH will design and implement an Advertising/Marketing Campaign which, in its sole discretion, it determines is appropriate to inform the legal industry of the opportunities for the Web services contemplated herein and to generate leads therefrom.
2. MH will employ efficient technical sales representatives to qualify the leads generated by the Advertising and Marketing campaign.
3. MH will send appropriate personnel to participate in major legal tradeshow.

**ICI Responsibilities**

1. ICI will assist MH in the design and development of the Advertising and Marketing campaign.
2. ICI will send appropriate personnel to participate in major legal tradeshow jointly with MH personnel.
3. ICI will make available appropriate personnel to MH staff to visit prospective customers of the Web services.

**Exhibit B****ALLIANCE WEB CONTRACT STATUS REPORT**Amount PayableDate PayableDate InvoicedDate Paid

\$ \_\_\_\_\_ upon execution:

Execution Dt.

\$ \_\_\_\_\_ upon completion of  
x% of work\$ \_\_\_\_\_ upon completion of  
x% work\$ \_\_\_\_\_ upon completion of terms  
of Alliance Web Contract